

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND  
(Greenbelt Division)**

**In re:**

**NATIONAL ENERGY & GAS  
TRANSMISSION, INC. (f/k/a PG&E  
NATIONAL ENERGY GROUP, INC.), et  
al.**

**Debtors.**

\*

\* Case No.: 03-30459 (PM) and 03-30461 (PM)  
through 03-30464 (PM) and 03-30686 (PM)  
\* through 03-30687 (PM)  
Chapter 11

\*

(Jointly Administered under  
\* Case No.: 03-30459 (PM))

\* \* \* \* \*

**NOTICE OF SALE OF EXCESS ASSETS**

PLEASE TAKE NOTICE that pursuant to the Order Establishing Procedures For Sales Of Excess Assets, dated December 9, 2003 (the "Order"), NEGT Energy Trading - Gas Corporation and NEGT Energy Trading - Power, L.P., two of the debtors and debtors in possession in the above captioned cases (the "Debtors"), are selling the following items to Logan Generating Plant (the "Sale"): (i) one digital voice card for \$250; (ii) one DS1 Card for \$500; and (iii) one Analog Card for \$250 (collectively, the "Property"). ET Gas and ET Power will divide the proceeds equally. The Sale will take place ten (10) days after the date hereof.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Sale, must be: (i) made in writing; (ii) state with particularity the grounds therefor; and (iii) served upon the undersigned, together with proof of service thereof, so as to be received within ten (10) days of the service of this notice.

PLEASE TAKE FURTHER NOTICE that unless objections are received by the timeframe set forth herein, the Sale will be consummated pursuant to the Order.

PLEASE TAKE FURTHER NOTICE that if an objection to the Sale is received, absent a settlement of such objection, a hearing and a further order of the Court will be required to authorize the Debtors to proceed with the Sale; *provided, however*, that if such objection relates solely to the use of proceeds from the Sale, then the Sale may proceed, but the Debtors will hold the proceeds of the Sale in a segregated account pending further order of the Court. The Debtors will schedule a hearing with respect to an objection to the Sale on five (5) business days notice to (i) the Office of the United States Trustee; (ii) counsel to the Creditors' Committees<sup>1</sup>; and (iii) any party known by the Debtors to assert a lien on the assets to be sold (a "Potential Lienholder" and together with (i) and (ii), the "Notice Parties"), and the objecting party, if not included therein.

PLEASE TAKE FURTHER NOTICE that the Debtors have provided written notice, by fax or hand delivery, of the Sale to the Notice Parties.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, if no objections to the Sale are received, or after the resolution of any such objections to the Sale with or without a hearing, the Sale of the Property shall be free and clear of all liens, claims and interests, with such liens, claims, interests and encumbrances, if any, to attach to the net proceeds of the Sale in the same order and priority as such liens, claims, encumbrances and interests were on such Property prior to the Sale, subject to the rights and defenses of the Debtors with respect thereto.

Dated: January 31, 2005

---

<sup>1</sup> As that term is defined in the Order.

Respectfully submitted,

WILLKIE FARR & GALLAGHER LLP

Matthew A. Feldman, Esquire  
Shelley C. Chapman, Esquire  
787 Seventh Avenue  
New York, NY 10019-6099

(212) 728-8000

and

WHITEFORD, TAYLOR & PRESTON L.L.P.

/s/ Martin T. Fletcher

Paul M. Nussbaum, Bar No. 04394  
Martin T. Fletcher, Bar No. 07608  
Dennis J. Shaffer, Bar No. 25680  
Seven Saint Paul Street, Suite 1400  
Baltimore, Maryland 21202  
(410) 347-8700

Co-Counsel for the Debtors  
and Debtors in Possession

**CERTIFICATE OF SERVICE**

I certify that on January 31, 2005, a copy of the foregoing notice was sent via facsimile to the following parties:

Office of the United States Trustee  
John L. Daugherty, Esq.  
Assistant United States Trustee  
6305 Ivy Lane, Suite 600  
Greenbelt, MD 20770

Bradford F. Englander, Esq.  
Brian M. Nestor, Esq.  
Linowes and Blocher LLP  
7200 Wisconsin Ave.; Suite 800  
Bethesda, MD 20814

Guy Sterling Neal, Esq.  
Sidley Austin Brown & Wood LLP  
1501 K Street NW  
Washington, DC 20005

/s/ Dennis J. Shaffer  
Dennis J. Shaffer

1599652